

February 14, 2022

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Request of Dominion Energy South Carolina, Inc. to Decrease its Rate Rider Related to Pension Costs from (\$0.00020) to (\$0.00073) per kilowatt hour ****This filing includes a request for a decrease to the pension cost component rider to retail rates.****
Docket No. 2022-____-E

Request of Dominion Energy South Carolina, Inc. to Decrease its Rate Rider Related to Pension Costs from (\$0.00017) to (\$0.00020) per kilowatt hour
Docket No. 2021-46-E

Dear Ms. Boyd:

By Order No. 2012-951, issued on December 20, 2012, in Docket No. 2012-218-E, the Public Service Commission of South Carolina (“Commission”) approved Dominion Energy South Carolina, Inc.’s (“DESC” or “Company”) Rider Related to Pension Costs (“Pension Rider”), which serves as the mechanism for DESC to recover its pension costs related to retail electric operations. The Pension Rider is subject to an annual true up depending on conditions in financial markets and other factors. Based upon the reasons set forth below, DESC seeks the Commission’s approval to decrease its Pension Rider from (\$0.00020) to (\$0.00073) per kilowatt hour (“kWh”), for all DESC retail electric rate schedules for bills rendered on and after the first billing cycle of May 2022.

In Order No. 2012-951, the Commission found that pension expenses “can vary significantly from year to year depending on conditions in financial markets and other factors.” *Id.* at p. 38. The Commission also determined that “using a rate rider for recovery of pension expense would allow the Company to adjust its pension expense collections with an annual true-up.” *Id.*

By Order No. 2021-275, issued in Docket No. 2021-46-E, the Commission authorized DESC to decrease its Pension Rider from (\$0.00017) to (\$0.00020) per kWh, effective for bills rendered on and after the first billing cycle of May 2021. As

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part of its order, the Commission required the Company to file with the Commission and the South Carolina Office of Regulatory Staff (“ORS”) quarterly updates on the balance of the Pension Rider and updated projections through April 2022. The quarterly updates are to be filed through April 2022 on the form developed in collaboration with ORS. *See* Order No. 2021-275.

In compliance with Order No. 2021-275, and in a format determined in collaboration with ORS, Exhibit No. 1, a copy of which is attached hereto, is the quarterly update on the balance of the Pension Rider for the quarter ending December 31, 2021, and projections through April 2022.

Since the last filing for an adjustment to the Company’s Pension Rider in 2021 (Docket No. 2021-46-E), the projected over-collected balance of pension costs through April 2022 has increased by approximately \$3.6 million using the December 31, 2021 actual balance and current estimates. If the currently approved Pension Rider is not reduced, then the Company projects there will be an over-collection of pension costs of approximately \$11.7 million as of April 2023. Exhibit No. 2, a copy of which is attached hereto, reflects the over-collection projections through April 2023, if no reduction of the Pension Rider is authorized. Exhibit 2 also reflects the Company’s proposal to decrease the Pension Rider, and the resulting impact on the recovery balance.

In this filing, the Company is proposing to decrease the Pension Rider from (\$0.00020) per kWh to (\$0.00073) per kWh, resulting in a reduction in the Pension Rider of \$0.00053 per kWh. Attached hereto as Exhibit No. 3 is a redline version of the revised Pension Rider reflecting the proposed decrease. Also attached hereto as Exhibit No. 4 is a clean version of the updated Pension Rider reflecting the proposed decrease. Decreasing the Pension Rider collections as set forth herein will result in a projected decrease in annual collections from DESC’s customers of approximately \$11.7 million.

The Company maintains that publication of a notice is not necessary under either S.C. Code Ann. § 58-27-870(F) (2015) or Commission Order No. 2012-951, and no such publication was required in Docket No. 2020-50-E or Docket No. 2021-46-E.

Based on the foregoing, DESC respectfully requests that the Commission review and approve, without notice and hearing, the attached updated Pension Rider reflecting a decrease of \$0.00053 per kWh. DESC further requests that the updated Pension Rider be effective for bills rendered on and after the first billing cycle of May 2022.

By copy of this letter, DESC is notifying the ORS of the Company’s request and is enclosing a certificate of service to that effect.

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If you have any questions, please advise.

Very truly yours,


Matthew W. Gissendanner

MWG/kms
Enclosures

cc: Andrew M. Bateman, Esquire
Alexander Knowles, Esquire
Roger Hall, Esquire
Carri Grube-Lybarker, Esquire
(both via electronic mail and U.S. First-Class Mail w/enclosures)

Dominion Energy South Carolina, Inc.

December 31, 2021 Quarterly Update

Projection of Pension Rider Under/(Over) Recovery

	<u>Under/(Over) Collection Balance</u>	<u>Pension Component (per kWh)</u>	<u>Projected Rider Recovery</u>	<u>Projected Pension Costs {2}</u>	<u>Under/(Over) Collection Balance</u>
December 2021 {1}	(\$1,742,063)				
January 2022		\$ (0.00020)	(\$385,660)	(\$983,000)	(\$2,339,403)
February 2022		\$ (0.00020)	(\$320,940)	(\$983,000)	(\$3,001,463)
March 2022		\$ (0.00020)	(\$328,840)	(\$983,000)	(\$3,655,623)
April 2022		\$ (0.00020)	(\$312,400)	(\$983,000)	(\$4,326,223)

{1} Reflects actual overcollected balance as of December 31, 2021. All other amounts reflect projected activity and balances.

{2} For the purpose of this exhibit, the estimated annual pension costs allocable to retail electric operation and maintenance ("O&M") expense has been distributed evenly by month. Actual pension costs will be distributed based on the incurred labor distribution each month. Therefore, the monthly O&M amount will vary based on the distribution of labor.

Dominion Energy South Carolina, Inc.

Projection of Pension Rider Under/(Over) Recovery <u>if No Changes Made</u>				Projection of Pension Rider Under/(Over) Recovery <u>with May 2022 Update</u>			
	Projected Rider Recovery	Projected Pension Costs {2}	Under/(Over) Collection Balance	Pension Component (per kWh)	Projected Rider Recovery	Projected Pension Costs {2}	Under/(Over) Collection Balance
December 2021 {1}			(\$1,742,063)				
January 2022	\$ (385,660)	(\$983,000)	(\$2,339,403)	\$ (0.00020)	(\$385,660)	(\$983,000)	(\$2,339,403)
February 2022	\$ (320,940)	(\$983,000)	(\$3,001,463)	\$ (0.00020)	(\$320,940)	(\$983,000)	(\$3,001,463)
March 2022	\$ (328,840)	(\$983,000)	(\$3,655,623)	\$ (0.00020)	(\$328,840)	(\$983,000)	(\$3,655,623)
April 2022	\$ (312,400)	(\$983,000)	(\$4,326,223)	\$ (0.00020)	(\$312,400)	(\$983,000)	(\$4,326,223)
May 2022	\$ (363,380)	(\$983,000)	(\$4,945,843)	\$ (0.00073)	(\$1,326,337)	(\$983,000)	(\$3,982,886)
June 2022	\$ (421,440)	(\$983,000)	(\$5,507,403)	\$ (0.00073)	(\$1,538,256)	(\$983,000)	(\$3,427,630)
July 2022	\$ (442,420)	(\$983,000)	(\$6,047,983)	\$ (0.00073)	(\$1,614,833)	(\$983,000)	(\$2,795,797)
August 2022	\$ (455,900)	(\$983,000)	(\$6,575,083)	\$ (0.00073)	(\$1,664,035)	(\$983,000)	(\$2,114,762)
September 2022	\$ (369,460)	(\$983,000)	(\$7,188,623)	\$ (0.00073)	(\$1,348,529)	(\$983,000)	(\$1,749,233)
October 2022	\$ (331,200)	(\$983,000)	(\$7,840,423)	\$ (0.00073)	(\$1,208,880)	(\$983,000)	(\$1,523,353)
November 2022	\$ (334,360)	(\$983,000)	(\$8,489,063)	\$ (0.00073)	(\$1,220,414)	(\$983,000)	(\$1,285,939)
December 2022	\$ (347,220)	(\$983,000)	(\$9,124,843)	\$ (0.00073)	(\$1,267,353)	(\$983,000)	(\$1,001,586)
January 2023	\$ (385,860)	(\$983,000)	(\$9,721,983)	\$ (0.00073)	(\$1,408,389)	(\$983,000)	(\$576,197)
February 2023	\$ (326,600)	(\$983,000)	(\$10,378,383)	\$ (0.00073)	(\$1,192,090)	(\$983,000)	(\$367,107)
March 2023	\$ (331,520)	(\$983,000)	(\$11,029,863)	\$ (0.00073)	(\$1,210,048)	(\$983,000)	(\$140,059)
April 2023	\$ (314,020)	(\$983,000)	(\$11,698,843)	\$ (0.00073)	(\$1,146,173)	(\$983,000)	\$23,114

{1} Reflects actual overcollected balance as of December 31, 2021. All other amounts reflect projected activity and balances.

{2} For the purpose of this exhibit, the estimated annual pension costs allocable to retail electric operation and maintenance ("O&M") expense has been distributed evenly by month. Actual pension costs will be distributed based on the incurred labor distribution each month. Therefore, the monthly O&M amount will vary based on the distribution of labor.

RIDER TO RETAIL RATES

PENSION COSTS COMPONENT

APPLICABILITY

Service supplied under the Company's retail electric rate schedules is subject to the approved Rider to Retail Rates - Pension Costs Component. The charge shown below is applicable to and a part of the Company's South Carolina retail electric rate schedules for the recovery of pension-related costs and is included in the monthly rate provision of the applicable schedule used in billing.

RIDER RELATED TO PENSION COSTS

The rate listed below is included in all retail electric rate schedule energy charges for the recovery of pension-related costs.

Decrement included in all retail electric rate schedules	\$ (0.00020) per kWh
	\$ (0.00073) per kWh

RIDER TO RETAIL RATES

PENSION COSTS COMPONENT

APPLICABILITY

Service supplied under the Company's retail electric rate schedules is subject to the approved Rider to Retail Rates - Pension Costs Component. The charge shown below is applicable to and a part of the Company's South Carolina retail electric rate schedules for the recovery of pension-related costs and is included in the monthly rate provision of the applicable schedule used in billing.

RIDER RELATED TO PENSION COSTS

The rate listed below is included in all retail electric rate schedule energy charges for the recovery of pension-related costs.

Decrement included in all retail electric rate schedules

\$ (0.00073) per kWh

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NOS. 2022-__-E AND 2021-46-E

IN RE:

Request of Dominion Energy South Carolina, Inc.)
to Decrease its Rate Rider Related to Pension Costs)
from (\$0.00020) to (\$0.00073) per kilowatt hour)
****This filing includes a request for a decrease to)**
pension cost component rider to retail rates.)**

**CERTIFICATE OF
SERVICE**

Request of Dominion Energy South Carolina,)
In. to Decrease its Rate Rider Related to Pension)
Costs from (\$0.00017) to (\$0.00020) per kilowatt)
Hour)
_____)

This is to certify that I have caused to be served this day copies of **Dominion Energy South Carolina, Inc.'s Rider Related to Pension Costs** to the persons named below at the addresses set forth via U.S. First Class Mail and electronic mail:

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Karen M. Scruggs

Columbia, South Carolina

This 14th day of February 2022